

Before the
Federal Communications Commission
Washington, D.C. 20554

ACCEPTED/FILED

SEP 25 2017

In the Matter of

Federal Communications Commission
Office of the Secretary

Assessment and Collection of Regulatory Fees
for Fiscal Year 2017

MD Docket No. 17-134

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**PETITION FOR WAIVER OF 2017 REGULATORY FEES OF UNO RADIO
GROUP**

Uno Radio Group is the parent entity of six (6) separate FCC licensee entities, (Arso Radio Corporation, Turabo Radio Corporation, Madifide, Inc., Uno Radio of Ponce, Inc., Caribbean Broadcasting Corporation and WIAC-FM, Inc., collectively hereinafter "URG"), which in turn are the licensees of, collectively, nine (9) FM Stations, six (6) AM stations, one (1) FM Translator and three (3) FM Booster stations, all licensed to various communities on the island of Puerto Rico.

One of URG's subsidiary licensees, Arso Radio Corporation ("ARSO")¹ submitted comments in response to the Commission's *Notice of Proposed Rulemaking*² ("NPRM") relative to the assessment of regulatory fees to broadcast licensees for Fiscal Year 2017. However, in the Report and Order released September 5, 2017³, the Commission, while acknowledging the comments of Arso (one of only two commenters on the issue of Media Bureau Regulatory Fees) declined to adopt the suggestions by ARSO to mitigate the regulatory fee burden for broadcasters on the island of Puerto Rico by adopting a fast track waiver process in light of the ongoing economic chaos on the island, although it did reduce the regulatory fees for AM and FM stations in the two lowest population tiers in

¹ Arso is the FCC licensee of 8 of the URG primary stations and the one translator, with the remainder of the URG stations distributed amongst the other subsidiary licensee entities.

² *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Notice of Proposed Rulemaking, 32 FCC Rcd 4526 (2017) (FY 2017 NPRM).

³ *Assessment and Collection of Regulatory Fees for Fiscal Year 2017*, Report and Order 32 FCC Rcd _____, (2017) adopted September 1, 2017, Released September 5, 2017 ("FY 2017 Report and Order")

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the regulatory fee chart in response to the comments by CRC Broadcasting Company in an effort to assist small broadcasters facing economic issues. The *FY 2017 Report and Order* did acknowledge the continued individual broadcaster ability to request, upon substantive showings, waivers, reductions and/or deferrals of their individual regulatory fee obligations.⁴ This Petition is therefore the request for waiver of the following 2017 regulatory fees of the following facilities in their entirety:

CALL SIGN	Facility ID#	City of License	Fee Due	Fee Code	Station Class
WPRM-FM	#2875	San Juan, PR	\$9,875	1752	B (FM)
WIVA-FM	#2876	Aguadilla/Mayaguez, PR	\$6,575	1751	B (FM)
WRIO-FM	#20591	Ponce, PR	\$4,400	1750	B (FM)
WORA-AM	#54480	Mayagüez, PR	\$3,800	1727	B (AM)
WPRP-AM	#54475	Ponce, PR	\$2,525	1726	B (AM)
WFDT-FM	#3251	Aguada, PR	\$3,875	1744	A (FM)
WMIO-FM	#40052	Cabo Rojo, PR	\$2,600	1743	A (FM)
WUNO-AM	#54476	San Juan, PR	\$5,700	1728	B (AM)
W285DL	#85936	Hormigueros, PR	\$ 430	1768	FM Translator
WFID-FM	#10063	Rio Piedras, PR	\$9,875	1752	B (FM)
WLEO-AM	#52943	Ponce, PR	\$2,525	1726	B (AM)
WZAR-FM	#52946	Ponce, PR	\$9,875	1752	B (FM)
WNEL-AM	#68355	Caguas, PR	\$3,800	1727	B (AM)
WCMN-AM	#8792	Arecibo, PR	\$2,525	1726	B(AM)
WCMN-FM	#8790	Arecibo, PR	\$6,575	1751	B(FM)
WCMN-FM3	#164316	Ponce, PR	\$ 430	1768	FM Booster
WCMN-FM6	#185193	Mayaguez, PR	\$ 430	1768	FM Booster
WTOK-FM	#4936	San Juan, PR	\$9,875	1752	B (FM)
WTOK-FM2	#87432	Ceiba, PR	\$ 430	1768	FM Booster

Uno Radio Group is also filing, simultaneously with this Petition, a separate Petition for Deferral (the “*Deferral Petition*”) of its total regulatory fee obligation for a period of time not to exceed six months in accordance with 47 C.F.R. §1.1166(b) in order to permit the Commission time to review and adjudicate this request. URG respectfully

⁴ See *FY 2017 Report and Order*, Appendix G, para. 37.

requests the instant Petition for Waiver be read in *pari passu* with the *Deferral Petition* and adopts the information contained in the *Deferral Petition* and its Appendix herein.

In accordance with the provisions of the *FY 1994 Order*⁵, Uno Radio Group has provided in its companion *Deferral Petition* the showing of financial inability and the adverse effect the FY 2017 regulatory fees would have on its ability to continue to provide programming to the listening public of Puerto Rico, including critical information concerning ongoing hurricane relief efforts from both Irma and Maria and the efforts to control mosquito population in light of the Zika virus epidemic on the island, which will undoubtedly be exacerbated by the damage caused by Hurricane Maria. Payment of the total sum of \$86,120.00 exceeds the total available cash and Uno Radio Group would not have sufficient cash on hand to be able to pay, inter alia, its employees' salary obligations, hurricane restoration expenses and utility obligations to resume operation of the stations, and other operating expenses associated with restoring operations and resuming radio broadcasting on the island. Uno Radio Group cannot utilize credit financing to obtain these funds as it has drawn upon all available credit to it to cover operating expenses. Compensation laws in the Commonwealth of Puerto Rico are some of the most onerous, requiring employers to provide for payment of significant amounts of vacation/sick time, together with a compulsory fixed annual bonus based on compensation amounts. It is also exceedingly difficult to terminate an employee without cause in the Commonwealth. The combination of these factors make labor costs one of the most expensive parts of a radio station's operating budget and make labor reduction savings almost impossible to effectuate in Puerto Rico.

⁵*Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, para. 13 (1995) (*FY 1994 Order*).

In support of its waiver request contained in the instant Petition, Uno Radio Group would state that it simply does not have the funds available to remit the 2017 Regulatory Fees, particularly since its petitions in prior fiscal years to secure deferral or reduction of prior annual regulatory fees have not been adjudicated, and the economic conditions in Puerto Rico have, as a result of Hurricanes Irma and Maria, gone from dire to catastrophic. Any and all available funds will be needed to restore broadcast operations of the URG radio stations and provide compensation to staff while attempting to restore commercial operations and generate revenue in a community completely destroyed by Maria.

In further support of this request, Uno Radio Group has provided as an appendix to the *Deferral Petition* (as required by the *FY 1994 Order*) the applicable balance sheets, profit and loss statements, bank statements, cash flow projections from July 2017 through December 2017 with notes, as well as a list of officers and their compensation, and a list of the ten highest paid non-officer employees and their compensation.⁶

As further justification for its request, Uno Radio Group would refer to the damage assessments and reports associated with Hurricanes Irma and Maria. Irma caused serious power and water outages throughout Puerto Rico when it struck a glancing blow on September 6, 2017 and still left 900,000 residents without power⁷, which was still in the process of being restored when Maria struck on September 20, 2017, cutting

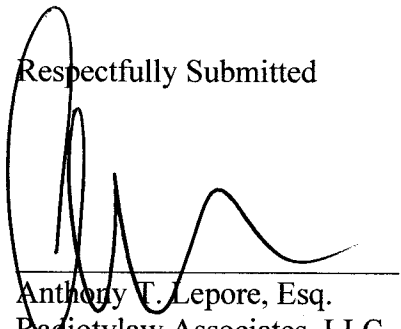
⁶ The financial data was provided prior to Hurricane Maria's destruction of all infrastructure on the island of Puerto Rico, and the financial revenue projections are likely moot now since it is widely reported that there is no electric power on the island whatsoever, and that almost all radio broadcasting is off the air, and power restoration is expected to take months. As of September 22, 2017, broadcasters had not yet even had the ability to report to the FCC DIRS system regarding their status, though anecdotally it was reported by several media outlets that all FM stations were silent in Puerto Rico and only 1 or 2 AM stations were operating on generator power as of 9/22/17. See <https://www.local10.com/weather/hurricane/puerto-rico-seeks-to-rebuild-after-hurricane-maria>

⁷ See Associated Press report: <https://apnews.com/71b5ce79245a4741807edf56d6495ced/Irma-lashes-Virgin-Islands,-Puerto-Rico-with-rain-and-wind>

power to the *entire island*⁸, with initial estimates of power restoration being *4 to 6 months*.⁹

Based on the unprecedented damages inflicted by Irma and Maria, coupled with the economic distress Uno Radio Group was facing before these natural disasters, taken together with the *Deferral Petition* and its appendix of financial data, Uno Radio Group believes it has adequately demonstrated the basis for its requested waiver of the 2017 regulatory fees for the above stated radio stations. For such reasons, Uno Radio Group requests the Commission grant its Petition for Waiver of Regulatory Fees as requested herein.

Respectfully Submitted



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September 25, 2017

⁸ Puerto Rico Secretary of State Luis Rivera Marin confirmed the entire island was without power in an interview with MSNBC on September 20, 2017; <https://www.nbcnews.com/news/weather/hurricane-maria-makes-landfall-puerto-rico-category-4-storm-n802911>

⁹ No communication has been received despite repeated outreach efforts to URG principals since prior to Maria making landfall on September 20, 2017 and it is unknown as to the status of any individuals or of the URG broadcast facilities, although one media report included video of a collapsed broadcast tower in Caguas across a roadway which may have been an URG asset. Undersigned will supplement this Petition for Waiver once communication channels are established and an assessment of damage to the URG broadcast group can be made.